FOR MYSORE STATE

Supdt.

Health (1953) Department.

Rt. SERIES.

G.O. NO. 191 Health

Dated 31st March 1953

[Despatch Abstract.]

Water Supply and Drainage — Mangalore Municipality — Levy and Increase of tax without provision of water Supply and Drainage Amenities — Legality of — Expediting the Scheme — Information Regarding by Development Secretary — Papers Recorded.

5735(A) H/53

Development Dept.

I pay considerable tax to the Mangalore Municipality. It is reported that on December 9th, 1952, the Council has resolved to raise the watersupply and drainage tax from 4 1/2 per cent to 9 per cent. But there are two issues involved in this.

(1) Whether the Municipality is competent to impose a watersupply and drainage tax in anticipation of these services. For a number of years now this tax has been collected without the corresponding services. The simple legal proposition is that when a tax is designated for a particular purpose, that purpose should be served. It may be examined if the tax is legal.

(2) The increase in tax will make the total of tax payable more than 25 per cent. There is a decision of Government, probably of 1949, that municipalities should not be allowed to raise their taxes and that in many cases, 25 per cent would be the ceiling. In this connectio I would like to point out that such high rates of taxes have a very adverse effect on the housing problem as no one can consider the investment on housing justified, when in addition to other taxes like Income-Tax, heavy municipal tax has to be regularly paid. The result is that housing situation is fearful in Mangalore and the rents payable which affect even lower income groups are extraordinarily high. It is requested that both the issues raised may be examined.

16-1-53.

L.A. Dept.

Dev No 5735(A) H/53-1 16.1.53

2701

LOCAL ADMINISTRATION DEPARTMENT 19 JAN 1953 SECRETARIAT, MADRAS

The note of the Secretary, Development Dept. on page 1 above may be perused.

He wishes the following two issues to be examined:

(1) whether the Mangalore Municipality is competent to impose a water and drainage tax in anticipation of the services, and

2) whether the conventitional maximum of 25% p.a. can be exceeded.

Item(1). Water and Drainage tax is a constituent of the property tax. It is levied to provide for expenses connected with the construction, maintenance, repair, extension of water drainage works heretofore provided or hereafter to be provided. The levy of this tax in anticipation of the provision of the services is therefore in order. In fact, water and drainage tax is levied in anticipation of these services. Govt. give grants-in-aid for the installation of water supply and drainage schemes. The balance of the cost should be found by the Municipal Council. Since the cost of a water supply or drainage scheme runs into lakhs of rupees, it is usually necessary to levy this tax long in advance of the actual provision of these services.

Item(2). The maximum total rate of property tax to be levied in a municipality is fixed at 25% p.a. only as a matter of convention. There is no provision in law for laying down such maximum. This conventional maximum has been exceeded in many municipalities to meet the rising cost of municipal services. The total rate of property tax levied in the Mangalore Municipality during the current year is 20½ % p.a. and is therefore well below the conventional ceiling. The resolution of the Mangalore Municipal Council referred to by the Secretary Dev. Deptt in paragraph 1 of his note on page 1 above has not been received in this Deptt. and will no doubt be submitted with Municipal Council's Budget Estimate for 1953-54 which is still due. With

K

this information this may be returned to Secretary Development, u.o. through Health Dept which deals with water supply

28-1-53.
28.1.53

DEPUTY SECRETARY
F. B 1953
GOVT. DEPARTMENT

5491

2/2

1/2/53

2.2.53

Health / Dev Secy.

L.A. no: 2791-1A-
2.2.53

Please see the points raised byhthe Dev. Secretary and the remarks of L.A. from page 1 ante.

The Ml.Cl. Mangalore has agreed to raise its W.S. & d. tax from 4½ percent to 9 percent p.a. in order to meet the cost of the W.S. scheme

The w.s. scheme for the Mty., will be financed as follows:-

1) From Ml. funds	4.11	lakhs.
2) From Govt. loan	25.50	"
2) From Govt. grant.	53.24	"
Total.	82.85	"

This department may agree with the remarks of L.A. (on pp 2-3 ante) and the file passed to the Dev. Secretary.

SR
10.2.53.

7354

S/R
11/2/53

It is enough to tell the Dev. Secy. The tax is Legal. The W S scheme

4/

costs Rs 82-85 lakhs

there is no alternative

There is no need to furnish any other information to Dev Secy, at least in this manner as an office note

Legal Dept should see first & Publicity also may see

The cases returned to L.A. Secy

S.R.Kaiwar
11.2.53

L.A. Secy

We should be careful in the same as before

S.R.K
11.2.53

P.T.O

No. 5491 (0/52-1, Acctts
Date 11-2-53

LOCAL ADMINISTRATION DEPARTMENT
7354
FEB 19
SECRETARIAT, MADRAS

The note of the Secretary, Health Dept on pp 3-4 above may be perused. As suggested by him a draft letter to the Secretary Dev. Dept is submitted below for approval. Legal, Fin and Pub (Spl) may see the file before issue as suggested by the Secretary Health Dept.

16.2.53

17.2.53

18/24/53

19/25/53

Legal / Fin / Pub (Spl)

ASSISTANT SECRETARY
3140
20 FEB 1953
LEGAL DEPARTMENT

L.A. no: 7354-1A.
19.2.53

Legal (Opinion)

I do not think it is necessary to send a formal reply to the Dev Secy. The file may be sent to the Dev Dept from which it originated.

We need not, I think, treat the Dev Secy in his individual capacity in this case. We may treat this case as one where the Secy of a dept. seeks some information on a general question.

Legal no 3163/537

The legal position set out by L.A of Health is correct.

KLK
25/2/53

Finance

26.2.53

ADDITIONAL DEPUTY SECRETARY TO GOVERNMENT
1568
26 FEB 1953
FINANCE DEPARTMENT

6.

Jr (EA)

The notes on pp 1-5 above may be perused. No remarks are called for in this dept

Sec 3.3.53

Jr. 4.3.53

Health

Jr. No 15682 (H)/53

4.3.53

Health (W2)

Mis-sent L.A. No

Jr 5/3/53

DEPUTY SECRETARY 11063 1953 DEPARTMENT

MK 5/3/53

Sec 6353 L.A

Health U.O. 11063. W2/53. 7.3.53.

L.A.D

LOCAL ADMINISTRATION DEPARTMENT 11717 9 MAR 19 SECRETARIAT, MADRAS

Health Secy and Pub (Spl) may see for remarks on the note of Legal

9.3.53

9.3.53

Secy Health.

Pub (Spl)

DEPUTY SECRETARY 1 HEALTH

Subd to Secy

10/3/53

In view of what Legal Dept. says there is no objection to let Development Department see the case.

L.A. No: 7354-3A. 10.3.53.

2. At the same time it is pointed out that water supply is a definite service and the suppliers are entitled to levy appropriate rates to meet the charges

12503

~~12501~~

charges for this service. In countries like England and America the water supply service is treated as an economic service and the charges are levied at economic rates. In this country on account of the association of the Water Supply and Drainage tax with the Property Tax the service element has been lost sight of and very often the service costs more than what is paid or collected by way of Water Supply and Drainage Tax. I do not think that Mangalore is any exception to this rule.

3. In another connection I had suggested the divorce Water Supply and Drainage Service from the Property Tax and to treat it as a commodity to be bought and sold so that the house owners will have a greater sense of realism and responsibility in the matter of conserving water supply and not allowing it to go waste. There will be considerable amount of vested interests to oppose any change-over as many households which are now getting water at nominal cost may be ...ed to pay something approaching the real value of the service rendered. But in other cases there may be a reduction in the charges particularly where the location of the Municipalities has been fortunate.

SRKanwar
11.3.53

ADMINISTRATION DEPARTMENT 13240 17 MAR 1953
Health U.O.No. 12503. W2/53.1
UNDER SECRETARY 1300 15 MAR 1953 1301 PUBLIC DEPARTMENT
Public(Pl) no L30 1/53-1

FW 18/3/53

Public(Pl.) Dept

The notes on Mr I-Rank may be perused. No remarks are called for in this dept. The file may be returned to LA.

TB 13/3/53

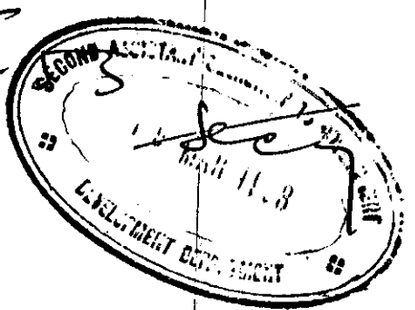
14/3

8

W/ L-A:D

The case may be sent to Deputy Secy for perusal and return

17.3.53



17/3/53

32606

Dear Secy

Many thanks.

L.A. No: 7354-4A
18.3.53

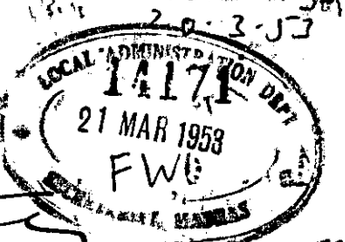
I may be permitted to remark that the tax has now been paid for several years, and it may be morally, even legally, difficult to establish that the works are "incapable to be worked" I dare expect the time taken be reasonable, and it may be difficult to maintain it is so the case of Nanjangud. It is therefore suggested there may be no justification for getting the water supply reinstated

(...)

L.A.D Dev MS 735 (A)/H/53

20.3.53

~~D~~ Health Dept may see



21.3.53

21/3/53 Health

Health

L.A. No: 7354-5
21.3.53
23/3/53

Health Dept. (W2)

This Dept. Last Secon P.P. 6-7 ante. Please see the further Remarks of the Dev. Secy. at P. 8 ante. The main file dealing with the Revised water Supply Scheme for the Bangalore City with Nethravathi River as Source was sent to Fin. Dept. with this Dept. Clo. No. 31157 W2/52-7, Health, dated 9.3.53. ~~So far from Fin. Dept. no separate action perhaps need be taken on this. With these Remarks it is for orders whether the case may be returned to L.A. Dept. Clo.~~ Secy. will be discussing the file with Fin. Secy. with a view to expediting the sanction of the Scheme. No separate action is, therefore, nec. on this file. These papers may be added to the main file on its return from Fin. Secy. may perhaps see.

25/3/53

SK
25353

~~Pl put up~~ Pl return

30/3/53.

SK

SVK
25353

Secy. has since discussed the main file with Fin. Secy. and the main file has been circulated for orders. These papers may be filed with that file on return from circulation

28/3/53

SK
30353

SK

Record as a Part I D separately

SVK
30.353

10

Order No 191, Health, 31.3.53

Rit

Recorded.

No finder 31/3/53

Abstract: W.S.H Mangalore mty. - Lea & increase of tax with provision of am. 8 of amenities - Legality & expediting the Release of information reqd. by Dept. - Papers recorded

30/3/53

SAs 31/3/53